

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)
)
Petition for Partial Relief)
From the Current Regulatory) RM-7913
Treatment of COMSAT World Systems')
Switched Voice, Private Line, and)
Video and Audio Services)

**COMMENTS OF KEYSTONE COMMUNICATIONS
IN SUPPORT OF PETITION FOR PARTIAL RELIEF**

Keystone Communications ("Keystone"), by its undersigned counsel, hereby comments in support of the Petition of COMSAT World Systems' ("COMSAT") for Partial Relief from current regulatory treatment by the Commission of its satellite lines of business. Keystone supports the Petition with particular regard to COMSAT's provision of satellite international capacity for audio and video service applications.

Keystone is a U.S.-based provider of communications and networking services for broadcast companies, television and radio programmers and other business interests located both domestically and overseas. In the conduct of its business, Keystone employs a variety of terrestrial and satellite-based transmission technologies, including both domestic and international satellite capacity. It currently leases one transponder in each of the Pacific and Atlantic Ocean Regions on a full-period basis from COMSAT, and leases other capacity on both the INTELSAT and on privately owned or national satellite systems for occasional international services as needed.

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Keystone believes that, in its Petition and the supporting study prepared by the Brattle Group, COMSAT has convincingly demonstrated the evolution of the international satellite industry to its present form in which COMSAT, in the provision of satellite capacity for broadcast and business television transmission services, faces substantial and growing competition. As an active participant in the international commercial satellite market for over a decade, Keystone has witnessed the entry of private satellite systems licensed by the Commission, like Panamsat and TDRSS, and the emergence of non-Intelsat regional satellite systems in this and other parts of the world, like certain of the Russian satellites. This trend will continue with the entry of additional private international satellite service operators, like Orion Satellite Corporation, in the next few years. COMSAT also faces today increasingly aggressive competition from other national signatories to INTELSAT in the provision of end-to-end services by means of the INTELSAT system.

While Keystone does not believe that the proliferation of international fiber optic cable systems offers an effective alternative to satellite capacity for the provision of point-to-multipoint distribution of television programming, Keystone concurs that the evolution of the satellite sector itself has materially impacted the manner in which COMSAT competes for its share of the marketplace. As an established customer of COMSAT, Keystone has observed COMSAT play an increasingly competitive and supportive role in recent years, exhibiting a markedly greater willingness to accommodate the needs and specific objectives of its customers, and exhibiting an increasingly flexible approach in its provision of services.

In this regard, Keystone agrees with COMSAT's premise that the international satellite industry of today is a substantially different, more dynamic, competitive and commercially oriented one than that which the Commission analyzed in 1985 when it adopted the current tariffing requirements for COMSAT which the Petition seeks to ease.¹ Keystone concurs that the forms of relief which COMSAT requests in its Petition are modest and reasonable and will work to place COMSAT in a more equitable relationship vis-a-vis non-Intelsat satellite systems with which it must compete and which are not subject to the Commission's strict tariffing requirements made applicable to COMSAT. The proposal at hand to permit COMSAT to adopt or amend its tariff requirements on 14 days notice, rather than 45, will still provide its competitors and customers alike a reasonable opportunity to challenge any proposed tariff terms which they consider unfavorable. While COMSAT is not specific as to what "minimal cost support data" it would be required to submit as part of the streamlined tariffing standards its requests, Keystone submits that the Commission should not dispense altogether with an explanation by Comsat of the competitive purpose of tariff changes, but should reduce such burden from the currently full-blown economic and cost support data requirement established under section 61.38 of the Rules.²


¹ See International Competitive Carrier Policies, 102 F.C.C.2d 812, 838-41 (1985).

² COMSAT's Petition for Partial Relief is silent regarding its procedural basis, but it would appear that the Petition should be treated as a request for waiver under section 1.03 of the Rules and should be granted on this basis.

For the foregoing reasons, it is respectfully submitted that COMSAT's Petition for Partial Relief be granted.

Respectfully submitted,

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August 25, 1994

CERTIFICATE OF SERVICE

I, Michele A. Depasse, certify the copies of the foregoing "COMMENTS IN SUPPORT OF PETITION FOR PARTIAL RELIEF" were served by first-class mail, postage prepaid, this 25th day of August, 1994 on the following:

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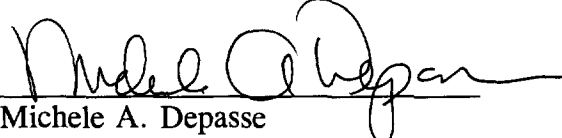
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